

REMARKS

In the Office Action mailed October 4, 2006, the Examiner rejected claims 1-21 under 35 U.S.C. § 103(a) as being unpatentable over Editors (Business Editors, High-Tech Writers Summer Internet World 99. "PocketCard Inc.'s Product Launch at Internet World Summer 99; High-Tech VISA Card Ends Expense Headaches." Business Wire. New York: Jul 21, 1999. pg 1.) in view of U.S. Patent No 5,857,079 to Claus et al. (hereinafter "Claus"). Applicants therefore respectfully provide the following:

The standard for a Section 103 rejection is set forth in M.P.E.P 706.02(j), which provides:

To establish a *prima facie* case of obviousness, three basic criteria must be met. First there must be some suggestion or motivation, either in the references themselves or in the knowledge generally available to one of ordinary skill in the art, to modify the references or combine reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. The teaching or suggestion to make the claimed combination and the reasonable expectation of success must both be found in the prior art, and not based on applicant's disclosure. *In re Vaeck*, 947 F.2d 488, 20 USPQ2d 1438 (Fed. Cir. 1991).

Applicants respectfully submit that the references cited by the Examiner do not teach or suggest all the limitations from the claim set provided herein. Applicants also respectfully submit that there is no motivation to combine references in the manner proposed by the Examiner and submit that one of ordinary skill in the art would not reasonably expect success in combining the cited references.

Independent claim 1 requires "establishing a plurality of virtual financial accounts overlaid upon at least one actual financial account, wherein each virtual financial account is capable of being overlaid upon multiple actual financial accounts and wherein multiple virtual financial accounts may be overlaid upon one actual financial account." This limitation is not

taught or suggested by the cited references. Specifically, neither reference discloses the flexibility of virtual and actual financial accounts claimed in claim 1. In the Office Action, the Examiner indicated that Editors discloses the high-tech VISA PocketCard that has a plurality of virtual financial accounts wherein multiple virtual financial accounts may be overlaid upon one actual financial account, citing page 2, 4th full paragraph. Applicants respectfully submit that this is a misreading of Editors. Specifically, the cited paragraph of Editors at most teaches a plurality of virtual financial accounts overlaid upon a virtual financial account, not overlaid upon an actual financial account as is required by the claim.

The paragraph reads: “The employer funds the program by transferring money from the company’s bank account” (an actual account) “into a PocketCard virtual account.” This is a transfer of money into a single virtual account, not an overlaying of a virtual account on an actual account, as is required by the claim. The paragraph then teaches that “the funds are then made immediately available to each employee with a PocketCard, but the employer sets individual limits for each card.” The paragraph therefore does not disclose whether the individual cards are actual accounts or virtual accounts, but what is clear is that each employee’s limit is overlaid on the single PocketCard “virtual” account, not an actual account, as is required by the claim.

Furthermore, as indicated by the Examiner, Editors does not disclose the ability of each of the virtual accounts to be overlaid upon multiple accounts of any type, let alone multiple actual financial accounts, the ability required by the claim limitation. In the Office Action, the Examiner relied on Claus as teaching this ability of a virtual financial account to be overlaid upon multiple financial accounts. Applicants respectfully disagree that Claus teaches that a single virtual account may be overlaid upon multiple actual accounts. Instead, Claus teaches a

plurality of categories and subcategories, including some subcategories that have the same name, but Claus does not teach a virtual account overlaid upon multiple actual accounts. Rather, each of the subcategories disclosed by Claus has an independent existence and does not act in conjunction with the other similarly-named subcategories as a single virtual account overlaid on multiple actual accounts.

Claus clearly and repeatedly discloses that the individual subcategories are always individually displayed and do not form a single virtual account overlaid on multiple actual accounts. Specifically, Claus teaches that to view information, the user can see the money spent for a particular actual account by selecting that account. (Col 4 lines 2-4) The user can then select the sub-category from within the selected actual account by entering the category number, but what is displayed is not the overall spending for the category (say Groceries) over all actual accounts, but only displays “the total money spent for groceries using the designated card.” (Col 4 lines 4-8, emphasis added.) Claus teaches that “for each combination of class, type, and category, computer 113 maintains a list in memory 114.” (Col 4 lines 37-38) The list is maintained separate from all other lists, including lists of similar categories by a selection of words that identify the particular list by class, type, and category. (Col 4 lines 50-52, Col 7 lines 11-13, Col 10 lines 45-49) In this manner, Claus discloses calculating total balances for selected lists (such as Personal-Credit-Groceries) (Col 7 lines 43-44) or selected classes and types (such as Personal-Cash) (Col 7 lines 63-64), but does not disclose a virtual account overlaid on multiple actual accounts so as to display a balance for Groceries that includes expenditures for multiple accounts, such as credit, cash, and check.

That this is the case is clear from Claus’s description regarding the spreadsheet display of the information in Figure 13 (on which the Examiner relied in making the rejection). Figure 13

clearly shows categories and balances, such as (reading the first column starting at the top):

Personal-Cash-Groceries, Personal-Cash-Groceries (it should be Personal-Check-Groceries – See Figure 14, which is a comma-separated values representation of the spreadsheet depicted in Figure 13 and Column 10 lines 24-29), and Personal-Credit 44444-Groceries, each subcategory having an independent balance shown. It is telling that neither the Smart Card of Claus, nor the spreadsheet contained on the computer as disclosed by Claus performs the claimed ability of the virtual accounts in claim 1 of being “capable of being overlaid upon multiple actual financial accounts.” Therefore, for at least the above reasons, Applicants respectfully submit that the cited references fail to disclose every element of independent claim 1.

Applicants further respectfully submit that there is no motivation to combine references in the manner suggested by the Examiner, and that one of skill in the art would not expect success in doing so to arrive at the claimed invention. There must be some suggestion or motivation either in the references themselves or in the knowledge generally available to one of ordinary skill in the art to modify or combine what the reference teaches. Editors and Claus fail to suggest the combination of the prior art references suggested by the Examiner. “Obviousness cannot be established by combining the teachings of the prior art to produce the claimed invention, absent some teaching or suggestion supporting the combination.” *In re John R. Fritch*, 972 F.2d 1260, 1266 (Fed. Cir. 1992). Any such suggestion must be “found in the prior art, and not based on applicant’s disclosure.” *In re Vaeck*, 947 F.2d 488, 493 (Fed. Cir. 1991). Indeed, “[t]he mere fact that the prior art may be modified in the manner suggested by the Examiner does not make the modification obvious unless the prior art suggested the desirability of the modification.” *In re Mills*, 916 F.2d 680, 682 (Fed. Cir. 1990). A “clear and particular”

showing of the suggestion to combine is required to support an obviousness rejection under Section 103. MPEP § 2142.

In the Office Action, the Examiner proposed the combination of Claus and Editors “so that a single card is utilized to record and categorize transactions for a business expense account. In this manner the business entity has maximum control and oversight over the transactions of their employees.” Applicants respectfully submit that this motivation proposed by the Examiner does not come from the references themselves, as is required for a rejection under Section 103, and that the proposed motivation would not motivate one of ordinary skill in the art to combine the cited references. Applicants note that the Examiner did not cite any portion of either Claus or Editors in providing the proposed motivation. Applicants respectfully submit that this violates the “clear and particular” requirement of MPEP § 2142, and further submit that the proposed motive is not found in either reference.

Furthermore the combination of Claus with Editors is inappropriate because it renders the prior art inoperable. M.P.E.P. 2143.01 states that a “proposed modification [to the prior art reference] cannot render the prior art unsatisfactory for its intended purpose.” The Examiner has proposed adding Claus to Editors so that a single card is utilized to record and categorize transactions for a business expense account. However, using a single card, such as that of Claus to track transactions for the business expense account is contrary to the purpose of the PocketCard accounts disclosed in Editors that are specifically designed to allow tracking of usage across multiple cards by many employees. (See Editors, page 2, 4th through 9th full paragraphs.)

Editors discloses that the PocketCard accounts are already automatically tracked and expense reports provided to the managers of the employee expense accounts accessed by the

PocketCard program. Therefore, one of ordinary skill in the art would not view the system disclosed in Editors as benefiting from the smart card system disclosed in Claus. By comparison with the system in Editors, the system of Claus is slow, outdated, and relies on the individual using the smart card to 1) properly enter a transaction when it occurs (Claus Column 4 line 46-Column 9 line 50 illustrates the myriad steps, button keys, and knowledge of category codes required to properly record a transaction in the Claus smart card system), and 2) load the transaction onto a personal computer and then transmit/transfer the information (assuming it is correct) to the employee's account systems managers (Claus Column 10 line 17-Column 12 line 21 describes the steps to ensure a proper transfer and spreadsheet account on the personal computer in the Claus system). In contrast, the system of Editors transfers the transaction to the employee expense account managers, with details, as soon as the transaction occurs, with no more effort by the spending employee other than simply swiping the credit card to complete a purchase. (Editors, page 2, 9th full paragraph) One of ordinary skill in the art, when presented with these two references, would not conceive of combining the references in the manner suggested by the Examiner, but would immediately see that the combination would provide no measurable benefit.

In essence, Applicants urge that the combination of the listed references is not a product of a suggestion contained within them, but is a product of inappropriate hindsight analysis. "Hindsight reconstruction" cannot be used "to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention." *Ecolochem, Inc. v. S. California Edison Co.*, 227 F.3d 1361, 1371 (Fed. Cir. 2000) (quoting *In re Fine*, 837 F.2d 1071 (Fed. Cir. 1988)). Rather, "the best defense against hindsight-based obviousness analysis is the rigorous application of the requirement for a showing of a teaching or motivation to combine the prior art references." *Id.*

“Combining prior art references without evidence of such a suggestion, teaching, or motivation simply takes the inventor's disclosure as a blueprint for piecing together the prior art to defeat patentability-the essence of hindsight.” *Id.* (quoting *In re Dembiczak*, 175 F.3d 994 (Fed. Cir. 1999)).

In light of the absence of any suggestion or motivation to combine the above-referenced prior art, the proposed combination of art is contrary to the requirements of Section 103.

Applicants therefore respectfully submit that the cited references fail to teach every element of independent claim 1, that there is no motivation to combine the cited references in the manner suggested by the Examiner, and that one of ordinary skill in the art at the time of the invention would not have expected success in combining the references to arrive at the claimed invention.


Applicants therefore respectfully request removal of the rejection of claim 1. Independent claims 6, 11, and 16 contain similar limitations and are allowable for at least the same reasons. All other claims depend from and add additional subject matter to claims 1, 6, 11, or 16, and are at least allowable for the same reasons. Applicants therefore respectfully request removal of all rejections under 35 U.S.C. § 103(a).

CONCLUSION

Applicants submit that the amendments made herein do not add new matter and that the claims are now in condition for allowance. Accordingly, Applicants request favorable reconsideration. If the Examiner has any questions or concerns regarding this communication, the Examiner is invited to call the undersigned.

DATED this 4 day of January, 2007.

Respectfully submitted,


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